



Montana Fish, Wildlife & Parks

P.O. Box 200701
Helena, MT 59620-0701
(406) 444-3186
FAX: 406-444-4952
Ref: DO174-11
September 2, 2011

James E. Brown
Director of Public Affairs
Montana Wool Growers Association
P O Box 1693
Helena MT 59624

SUBJECT: FWP CONTRACT WITH USDA WILDLIFE SERVICES

Dear Mr. Brown:

Until very recently, wolves have been listed under the federal Endangered Species Act (ESA), and management options were limited. With the recent delisting of wolves, Fish, Wildlife & Parks (FWP) has approved a wolf hunting season with a quota of 220 wolves. This is expected to result in up to a 25% decrease to the wolf population, and we expect it should also significantly reduce the number of livestock depredation incidents and the need for agency control actions.

Regarding US Department of Agriculture Wildlife Services (WS), FWP and WS renewed a Memorandum of Understanding (MOU) in 2007 to document and enhance the cooperative relationship between the agencies and outline roles and responsibilities of each agency in response to reported wolf depredation incidents, as well as incidents involving mountain lions, black bears, and grizzly bears. That MOU remains in place and is the overarching agreement under which the agencies work together, as envisioned in the Montana Wolf Management Plan. Agency staff meet at least annually to review implementation, discuss any issues, and coordinate efforts. This cooperative working relationship between FWP and WS has been ongoing for many years, and hasn't been dependent upon recent legislation authorizing FWP to work cooperatively with WS.

The Wolf Management plan does describe both proactive and reactive management strategies to reduce wolf-livestock conflict and resolve conflicts where and when they occur, and describes the roles of both agencies. Both the MOU and the Wolf Management Plan assume that the agencies would utilize their own funding to implement their respective responsibilities, as described in the MOU. Neither the MOU nor the Wolf Management Plan directs funding of either agency. The Wolf Management Plan does state that some funding for preventative

EQC
September 15, 2011
Exhibit 4

measures to reduce risk of conflicts occurring in the first place could come from monies FWP already provides to WS.

FWP has entered into annual financial agreements totaling \$110,000 per year with WS for the past several years to specifically help address wildlife management objectives, including wolf recovery. Last Spring, WS notified FWP that, as a result of federal funding cuts to their base budget, they were reducing services and would no longer be flying for control actions. Shortly thereafter, they sent a *proposed* financial agreement with an execution date of July 1. However, a cooperative funding agreement requires consent by both parties. FWP has been evaluating the effects of the reduction and where our funding could best be used, and therefore has not yet renewed the annual status quo funding agreement. As we better understand what services are reduced, FWP will likely require more specificity in the agreement about how funding should be used. For example, WS has notified FWP's Region 1 office (Kalispell) that they will no longer respond to depredation reports from "hobby ranches." FWP is contemplating conditioning some of the funding provided to WS to respond to depredation reports at hobby ranches. Another efficiency may be focus on livestock concentrations on private lands vs. dispersed grazing on public allotments.

Please recognize that a large portion of FWP's field staff's time is spent attempting to collar wolves, especially in areas where there isn't much known about wolf packs. A query of our staff indicates that approximately 50% of "livestock" packs are collared, which is significant given that collars are continually needing to be replaced due to removals, dead batteries, etc.

In your letter, you request that FWP provide more funding to WS so they can more effectively collar and kill problem wolves. The non-parks portion of FWP is funded almost exclusively with hunting and fishing license dollars, and matching federal dollars generated from an excise tax on fishing gear, firearms, and ammunition. FWP receives no general tax dollars to support the agency or agency programs. A requirement of the federal funding is that all funds must be used to meet wildlife management objectives. Funds cannot be used for general livestock protection, depredation payments, or other non-management items. Requirements for participation in various federal grant programs offered by the U. S. Fish and Wildlife Service (USFWS) are specified in the Code of Federal Regulations (CFR) Part 80. In order to qualify to receive funding from the USFWS through its Wildlife Restoration grant program (also known as Pittman-Robertson or PR), a state fish and wildlife agency must:

- Have assent legislation established in state law which prohibits the diversion of license fees to any purposes other than the administration of the game and fish agency.
- Only use license revenues for eligible purposes, i.e., "those functions required to manage fish and wildlife oriented resources of the state for which the agency has authority under state law (50 CFR 80.4).

Wildlife damage mitigation activities are ineligible under the constraints of PR program participation. Payments cannot be made to individuals, agencies, or other entities for wildlife-related damages or damage control actions. In addition, the agency cannot be otherwise compelled to conduct any ineligible activities using license revenues. In some instances,

predator control activities may be funded using license revenues, but only when those actions are necessary and reasonable in order to achieve wildlife restoration objectives.

The funding that has been provided to WS most recently for wolves was done so based on the premise that a quick response to livestock depredation was necessary to support recovery and delisting of wolves, and that justification was supported by the USFWS. Now that wolves are recovered and delisted, it is important that any funds allocated to wolf management still be able to meet wildlife restoration objectives to avoid diversion issues, or even the \$110,000 could be jeopardized.

Regarding recent legislation, Senate Bill 348 directs FWP to allocate \$900,000 for wolf management as defined in 87-5-102 MCA, which includes the collection and application of biological information for the purposes of conserving populations of wildlife consistent with other uses of land and habitat. Management includes the entire range of activities that constitute a modern scientific resource program, including but not limited to research, census, law enforcement, habitat improvement, control, and education. The term also includes the periodic protection of species or populations as well as regulated taking. FWP intends to continue the wolf management program that is in place, which includes wolf specialists on the ground monitoring wolf packs and the overall wolf population, working cooperatively with WS per our MOU, working with landowners and livestock producers to understand and minimize wolf conflict, implementing a wolf hunting season, conducting research to better understand potential impacts of wolves on wild ungulates, enforcing laws, and the myriad of other activities that constitute effective management. FWP does work diligently to radio-collar wolves in each pack, and will continue to do so. Additional effort by FWP will be directed towards collaring where feasible, which should relieve WS of some workload in that arena.


Funding for additional collaring, any control efforts undertaken by FWP, and for any monies provided to WS will come from the wolf management account established by House Bill 361. There is \$162,697 available and authorized to be spent from this account in FY2012. These dollars are within the \$900,000 allocated by SB348 as that bill states the funding can be from any source. The \$110,000 provided to WS for control work would also be part of the \$900,000.

Neither bill mentions working with county governments to put in place programs to control wolf populations and depredating wolves. Another bill, Senate Bill 108, directs FWP to "ensure that county commissioners and tribal governments in areas that have identifiable populations of large predators have the opportunity for consultation and coordination with state and federal agencies prior to state and federal policy decisions involving large predators and large game species." The primary "policy" decision to date regarding wolves is the proposed hunting season. County Commissions were notified of the proposed regulations and had opportunity to provide comment on those regulations.

FWP recognizes the importance of animal damage control to livestock producers, and the value of WS to the livestock industry and to FWP. It is regrettable that funding has been reduced for this federal agency at the same time wolves introduced by the federal government have been recovered and delisted. However, it is unrealistic to expect the state wildlife management agency to be responsible for funding shortfalls of a federal agency for livestock protection.

Rather than creating a confrontational atmosphere that pits WS against FWP and hunters against livestock producers, it would be in all of our best interests to work together collaboratively to seek and develop solutions that are beneficial to all of us. Towards that end, I recommend a small group comprised of FWP, WS, livestock producer groups, and sportsmen meet to see if there are collaborative solutions we could all work on. If you are interested in this approach, let me know, and I will direct my staff to start working to convene such a group.

Sincerely,


Joe Maurer
Director

c: Sue Daly, FWP Finance Administrator
Adam Brooks, FWP Federal Aid
John Steuber, Wildlife Services
Ken McDonald, FWP Wildlife Bureau

August 1, 2011

Joe Maurier
Director
Montana FWP
1420 E. 6th Ave.
Helena, MT 59601

RE: FWP contract with USDA Wildlife Services

Dear Director Maurier:

I am writing on behalf of the membership of the Montana Wool Growers Association (MWGA). As you know, MWGA represents Montana's sheep and wool producers. And, as you know, because of the damage done by the reintroduction of the gray wolf population into Montana, MWGA has a vested interest in proper management of the gray wolf population by your agency, and has an interest in ensuring that Montana's wolf conservation plan is properly funded and fully implemented.

With this background in mind, this letter serves both (1) as an inquiry as to the status of the wolf management contract between your agency and USDA Wildlife Services and (2) as a request to have your agency provide additional cooperative funding to Wildlife Services so that agency can more effectively collar and kill problem wolves.

As you know, Montana's wolf management plans calls explicitly for Montana FWP and Wildlife Services to work jointly and cooperatively in order to manage Montana's wolf population. This includes having Wildlife Services conduct wolf kill identification work, having Wildlife Services personnel kill depredating wolves and wolf packs, and having those personnel collar wolfpacks, as such collaring is required by Montana law. Yet, despite the need to continue this important and cooperative work between your two agencies, it is my understanding that the wolf management MOU between your agency and Wildlife Services is currently awaiting execution by your agency. It is also my understanding that that MOU had an execution date of July 1, 2011. Given that the month of August has reached us, MWGA's membership is hopeful that you can provide us some insight into when such agreement will be executed and put into place. Any written clarification you can provide in this regard is appreciated.

Also, as you know, the Montana Wool Growers Association was heavily involved during the 2011 Montana legislative session in enacting legislation that directs additional funding to implement Montana's wolf management plan. These efforts included the enactment of Senator Barrett's bill, SB 348, which authorizes and allocates your agency funds to collaring and control of wolves and wolf packs. These efforts also included the enactment of Representative Cuffe's bill, HB 363, to direct dollars collected from wolf license purposes for wolf management and

control purposes. Both of these bills authorize you to work cooperatively with USDA Wildlife Services.

Now that the effective date of these bills has gone into effect, the Wool Growers membership is interested in knowing how you plan to allocate the \$900,000 from the Barrett bill and the wolf license dollars from the Cuffe bill. In particular, the membership is interested in knowing whether your agency will be allocating more than the \$110,000 previously allocated to Wildlife Services for wolf management. In addition, these bills authorize you to work with county governments to put in place programs to control wolf populations and depredating wolves. Do you have any plans in place for working with county governments on predator control issues, such as wolf damage management? In sum, the Wool Growers Association would appreciate hearing how your agency plans to implement these two laws, and how you plan to fund Montana's wolf management plan going forward.

The MWGA Board would very much appreciate the opportunity to sit down with you to discuss FWP's wolf management plans going forward. Please let me know what dates in August or September you would be open and available to meet with several of our Association's board members. I can be reached by calling my cell at 406-925-1745 or by email at jbrown@doneylaw.com.

Trust you are having a great summer!

Sincerely,

James E. Brown
Director of Public Affairs

1597.000 - PL 84131

Cc: Senator Barrett
Representative Cuffe
Representative Hollenbaugh
Senator Brown
Senator Vincent
Senator Jones

South Dakota Game, Fish & Parks (SDGFP) conducts their own predator and beaver damage management program. They put in \$610,660 of state funds/year (general funds and license revenue) plus an additional \$305,330/year of cooperative funding (livestock tax for predator and beaver damage management) they receive from the counties. By state law, SD GFP must match cooperative dollars from livestock producers 2:1 (\$2.00 from the game department for every cooperative \$1.00).

UT WS receives \$459,000/year for coyote work on deer units (mostly in the form of aerial hunting), \$22,000/year for lion control on bighorn sheep units, and \$30,000/year for raven, red fox, and coyote control on sage grouse leks. The bighorn sheep and sage grouse agreements are federal agreements with WS, but the deer protection agreement is legislative general fund money to Utah Dept. of Ag and Food. It originally came from a \$5 surcharge on license sales, but they thought they would compromise their Pittman-Robertson (PI) grants, so they paid for the predator control out of state general funds and used the increased license revenues for something else. The original amount of our funding was \$500,000/year but it was reduced to \$400,000/year in 2009 because of the economic downturn. There is also a statutory 25% match paid by the Utah Division of Wildlife Resources (DWR) on all head tax that is collected, and this year it came to \$59,000. The UDWR is providing UT WS with an additional \$200,000 for deer protection this year (state FY 2012), from their discretionary funds. The UDWR told UT WS that they have recently re-examined the legal ramifications of using PI funds for predator control, and they feel they can now legally do it. The UT State Legislature plans to propose an additional hunting license tag increase next year that go to UT WS for coyote control, but they have not given an indication of how much this tag increase will be.

In Wisconsin, WI WS gets approximately \$1,264,000 from the Wisconsin Department of Natural Resources, Bureau of Wildlife (WDNR-BW) for wolf (\$20,664), double-crested cormorants (\$20,705), beaver (\$146,300), bear (\$164,720), and wildlife damage abatement and claims (\$911,703). The entire Wildlife Damage and Abatement and Claims Program (WDACP) is built around a surcharge on every hunting license sold. The beaver damage management funding comes from a surcharge on state hunting licenses including trout stamp sales and waterfowl stamp sales (wild rice protection). Surcharges on hunting licenses is the primary funding source for the WDACP. A portion of the bear nuisance program funding also comes from hunters dollars as well.

The Wyoming Game and Fish Department (WGFD) pays WY WS to conduct trophy game damage management work. WY WS charges WGFD \$35/hour to cover the costs of WY WS responding to complaints and assisting WGFD on an hourly basis (salary, benefits, vehicle etc.) In the same agreement WY WS is available to conduct aerial operations at WGFD's request. The agreement generally amounts to somewhere between \$15,000 and \$30,000 per year. It is funded from hunting license revenues.